

IN THE CLAIMS

1-9. (Canceled)

10. **(Currently Amended)** A financial instrument system comprising:
a memory storing financial instrument data associated with a financial instrument
issued by a stock company and held by a holder, shares of stock of the company trading at a
price, the instrument having a market price; and
a processor in communication with the memory and operable to, the instrument
comprising:

calculate a repayment obligation according to a provision of the instrument
obligating the company to repay the principal according to a predetermined term;

calculate a stock conversion according to a provision of the instrument making
the instrument convertible into a predetermined number of shares of stock of the company
at a predetermined conversion price;

calculate a payment obligation according to a provision of the instrument
obligating the company to make a payment to the holder with respect to passage of a time
interval in the event the market price of the instrument is in a predetermined relationship
to an accreted value thereof, the accreted value **defined** as the issue price of the
instrument plus an economic accrual of a portion of a difference between the issue price
and the principal amount at maturity.

11. **(Currently Amended)** The financial instrument system of claim 10 wherein the
predetermined relationship is that a predetermined function of the market price of the instrument
is greater than 120 percent of the instrument's accreted value.

12. **(Currently Amended)** The financial instrument system of claim 11 wherein the
predetermined function of the market price is the average market price for a measurement period.

13. **(Currently Amended)** The financial instrument system of claim 11 wherein the
time interval is six months.

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14. **(Currently Amended)** The financial instrument system of claim 12 wherein the amount of the payment is selected to be the greater of:

an amount of any dividend per share of the stock in the interval multiplied by the number of shares of stock into which the instrument may be converted, or

a predetermined percentage of the average market price of the instrument for the measurement period.

15. **(Currently Amended)** The financial instrument system of claim 10 wherein the payment is made over time.

16. **(Currently Amended)** The financial instrument system of claim 10 wherein the payment is made by adjusting the principal amount.

17. **(Currently Amended)** The financial instrument system of claim 10 wherein the amount of the payment is determined as a function of a value selected from the set consisting of:
such dividends as holder of the underlying security would normally receive;
a value of a predetermined index;
a value of a reference security;
a value of a pool of securities;
a value of a pool of indices, and
a value of a pool of securities and indices.

18. **(Currently Amended)** An offering document system comprising:
a memory storing financial instrument data associated with an offering document
offering a financial instrument issued by a stock company and held by a holder, shares of stock of
the company trading at a price, the instrument having a market price; and

a processor in communication with the memory and operable to, the instrument
comprising:

calculate a repayment obligation according to a provision of the instrument
obligating the company to repay the principal according to a predetermined term;

calculate a stock conversion according to a provision of the instrument making
the instrument convertible into a predetermined number of shares of stock of the company
at a predetermined conversion price;

calculate a payment obligation according to a provision of the instrument
obligating the company to make a payment to the holder with respect to passage of a time
interval in the event the market price of the instrument is in a predetermined relationship
to an accreted value thereof, the accreted value defined as the issue price of the
instrument plus an economic accrual of a portion of a difference between the issue price
and the principal amount at maturity.

19. **(Currently Amended)** The offering document system of claim 18 wherein the
predetermined relationship is that a predetermined function of the market price of the instrument
is greater than 120 percent of the instrument's accreted value.

20. **(Currently Amended)** The offering document system of claim 19 wherein the
predetermined function of the market price is the average market price for a measurement period.

21. **(Currently Amended)** The offering document system of claim 18 wherein the
time interval is six months.

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22. (**Currently Amended**) The offering document system of claim 20 wherein the amount of the payment is selected to be the greater of:

an amount of any dividend per share of the stock in the interval multiplied by the number of shares of stock into which the instrument may be converted, or

a predetermined percentage of the average market price of the instrument for the measurement period.

23. (**Currently Amended**) The offering document system of claim 18 wherein the payment is made over time.

24. (**Currently Amended**) The offering document system of claim 18 wherein the payment is made by adjusting the principal amount.

25. (**Currently Amended**) The offering document system of claim 18 wherein the amount of the payment is determined as a function of a value selected from the set consisting of:

such dividends as holder of the underlying security would normally receive;

a value of a predetermined index;

a value of a reference security;

a value of a pool of securities;

a value of a pool of indices, and

a value of a pool of securities and indices.

period.

26-34. (Canceled)

35. **(Currently Amended)** An offering document system comprising:
a memory storing offering document data associated with an offering document
offering a financial instrument comprising issued by a stock company and held by a holder,
shares of stock of the company trading at a price, the instrument having a market price; and
a processor in communication with the memory and operable to, the instrument
comprising:

calculate a repayment obligation according to a provision of the instrument
obligating the company to repay the principal according to a predetermined term;

calculate a stock conversion according to a provision of the instrument making
the instrument convertible into a predetermined number of shares of stock of the company
at a predetermined conversion price;

calculate a payment obligation according to a provision of the instrument
obligating the company to make a payment to the holder upon a contingency; the offering
document further comprising an indication that the issuer will report income to the holder
based upon a yield at which the issuer would issue a fixed-rate, nonconvertible debt
instrument comparable to the financial instrument.

36. **(Currently Amended)** The offering document system of claim 35 in which the
contingency is with respect to passage of a time interval in the event the market price of the
instrument is in a predetermined relationship to an accreted value thereof, the accreted value
defined as the issue price of the instrument plus an economic accrual of a portion of a difference
between the issue price and the principal amount at maturity.

37. **(Currently Amended)** The offering document system of claim 35 wherein the
predetermined relationship is that a predetermined function of the market price of the instrument
is greater than 120 percent of the instrument's accreted value.

38. **(Currently Amended)** The offering document system of claim 37 wherein the
predetermined function of the market price is the average market price for a measurement period.

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39. (Currently Amended) The offering document system of claim 36 wherein the time interval is six months.

40. (Currently Amended) The offering document system of claim 35 wherein the amount of the payment is selected to be the greater of:

an amount of any dividend per share of the stock in the interval multiplied by the number of shares of stock into which the instrument may be converted, or

a predetermined percentage of the average market price of the instrument for the measurement period.

41. (Currently Amended) The offering document system of claim 35 wherein the payment is made over time.

42. (Currently Amended) The offering document system of claim 35 wherein the payment is made by adjusting the principal amount.

43. (Currently Amended) The offering document system of claim 35 wherein the amount of the payment is determined as a function of a value selected from the set consisting of:

such dividends as holder of the underlying security would normally receive;

a value of a predetermined index;

a value of a reference security;

a value of a pool of securities;

a value of a pool of indices, and

a value of a pool of securities and indices.

44-51. (Canceled)

52. **(Currently Amended)** An offering document system comprising:
a memory storing financial instrument data associated with an offering document
offering a financial instrument comprising issued by a stock company and held by a holder,
shares of stock of the company trading at a price, the instrument having a market price; and
a processor in communication with the memory and operable to, the instrument
comprising:
calculate a repayment obligation according to a provision of the instrument
obligating the company to repay the principal according to a predetermined term;
calculate a stock conversion according to a provision of the instrument making
the instrument convertible into a predetermined number of shares of stock of the company
at a predetermined conversion price;
calculate a payment obligation according to a provision of the instrument
obligating the company to make a payment to the holder with respect to passage of a time
interval in the event the market price of the instrument is in a predetermined relationship
to an accreted value thereof, the accreted value defined as the issue price of the
instrument plus an economic accrual of a portion of a difference between the issue price
and the principal amount at maturity; the offering document further comprising an
indication that the issuer will report income to the holder based upon a yield at which the
issuer would issue a fixed-rate, nonconvertible debt instrument comparable to the
financial instrument.

53. **(Currently Amended)** The offering document system of claim 52 wherein the
predetermined relationship is that a predetermined function of the market price of the instrument
is greater than 120 percent of the instrument's accreted value.

54. **(Currently Amended)** The offering document system of claim 53 wherein the
predetermined function of the market price is the average market price for a measurement period.

55. **(Currently Amended)** The offering document system of claim 52 wherein the
time interval is six months.

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56. (**Currently Amended**) The offering document system of claim 54 wherein the amount of the payment is selected to be the greater of:

an amount of any dividend per share of the stock in the interval multiplied by the number of shares of stock into which the instrument may be converted, or

a predetermined percentage of the average market price of the instrument for the measurement period.

57. (**Currently Amended**) The offering document system of claim 52 wherein the payment is made over time.

58. (**Currently Amended**) The offering document system of claim 52 wherein the payment is made by adjusting the principal amount.

59. (**Currently Amended**) The offering document system of claim 52 wherein the amount of the payment is determined as a function of a value selected from the set consisting of such dividends as holder of the underlying security would normally receive; a value of a predetermined index; a value of a reference security; a value of a pool of securities; a value of a pool of indices, and a value of a pool of securities and indices

60-61. (Canceled)

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62. **(Currently Amended)** A financial instrument system comprising:
a memory storing financial instrument data associated with a financial instrument
held by a holder, the instrument having a market price; and
a processor in communication with the memory and operable to, the instrument
comprising:

calculate a security conversion or exchange according to a provision of the
instrument making the instrument convertible or exchangeable into a predetermined
number of an underlying security at a predetermined conversion or exchange price;

calculate a payment obligation according to a provision of the instrument
obligating the company to make a payment to the holder with respect to passage of a time
interval in the event the market price of the instrument is in a predetermined relationship
to an accreted value thereof, the accreted value defined as the issue price of the
instrument plus an economic accrual of a portion of a difference between the issue price
and the principal amount at maturity.

63. **(Currently Amended)** The financial instrument system of claim 62 wherein the
predetermined relationship is that a predetermined function of the market price of the instrument
is greater than 120 percent of the instrument's accreted value.

64. **(Currently Amended)** The financial instrument system of claim 63 wherein the
predetermined function of the market price is the average market price for a measurement period.

65. **(Currently Amended)** The financial instrument system of claim 63 wherein the
time interval is six months.

66. **(Currently Amended)** The financial instrument system of claim 62 wherein the
payment is made over time.

67. **(Currently Amended)** The financial instrument system of claim 62 wherein the
payment is made by adjusting the principal amount.

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68. **(Currently Amended)** The financial instrument system of claim 62 wherein the amount of the payment is determined as a function of a value selected from the set consisting of such dividends as holder of the underlying security would normally receive; a value of a predetermined index; a value of a reference security; a value of a pool of securities; a value of a pool of indices, and a value of a pool of securities and indices.

69. **(Currently Amended)** An offering document system comprising:
a memory storing financial instrument data associated with an offering document
offering a financial instrument held by a holder, the instrument having a market price; and
a processor in communication with the memory and operable to, the instrument
comprising:

calculate a security conversion or exchange according to a provision of the
instrument making the instrument convertible or exchangeable into a predetermined
number of an underlying security at a predetermined conversion or exchange price;

calculate a payment obligation according to a provision of the instrument
obligating the company to make a payment to the holder with respect to passage of a time
interval in the event the market price of the instrument is in a predetermined relationship
to an accreted value thereof, the accreted value defined as the issue price of the
instrument plus an economic accrual of a portion of a difference between the issue price
and the principal amount at maturity.

70. **(Currently Amended)** The offering document system of claim 69 wherein the
predetermined relationship is that a predetermined function of the market price of the instrument
is greater than 120 percent of the instrument's accreted value.

71. **(Currently Amended)** The offering document system of claim 70 wherein the
predetermined function of the market price is the average market price for a measurement period.

72. **(Currently Amended)** The offering document system of claim 69 wherein the
time interval is six months.

73. **(Currently Amended)** The offering document system of claim 69 wherein the
payment is made over time.

74. **(Currently Amended)** The offering document system of claim 69 wherein the
payment is made by adjusting the principal amount.

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75. **(Currently Amended)** The offering document system of claim 69 wherein the amount of the payment is determined as a function of a value selected from the set consisting of:
such dividends as holder of the underlying security would normally receive; a value of a predetermined index;
a value of a reference security;
a value of a pool of securities;
a value of a pool of indices, and
a value of a pool of securities and indices.

76. (Canceled)

77. **(Currently Amended)** A financial instrument system comprising:
a memory storing financial instrument data associated with a financial instrument
relating to an underlying security, the underlying security trading at a price, the instrument
having a market price; and

a processor in communication with the memory and operable to, the instrument
comprising:

calculate a security conversion or exchange according to a provision of the
instrument making the instrument convertible or exchangeable into a predetermined
number of the underlying security at a predetermined conversion or exchange price;

calculate a payment obligation according to a provision of the instrument
obligating the company to make a payment to the holder with respect to passage of a time
interval in the event the market price of the instrument is in a predetermined relationship
to an accreted value thereof, the accreted value defined as the issue price of the
instrument plus an economic accrual of a portion of a difference between the issue price
and the principal amount at maturity.

78. **(Currently Amended)** The financial instrument system of claim 77 wherein the
predetermined relationship is that a predetermined function of the market price of the instrument
is greater than 120 percent of the instrument's accreted value.

79. **(Currently Amended)** The financial instrument system of claim 78 wherein the
predetermined function of the market price is the average market price for a measurement period.

80. **(Currently Amended)** The financial instrument system of claim 78 wherein the
time interval is six months.

81. **(Currently Amended)** The financial instrument system of claim 77 wherein the
payment is made over time.

82. **(Currently Amended)** The financial instrument system of claim 77 wherein the
payment is made by adjusting the principal amount.

83. (**Currently Amended**) The financial instrument system of claim 77 wherein the amount of the payment is determined as a function of a value selected from the set consisting of:
such dividends as holder of the underlying security would normally receive;
a value of a predetermined index;
a value of a reference security;
a value of a pool of securities;
a value of a pool of indices, and
a value of a pool of securities and indices.

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84. **(Currently Amended)** An offering document system comprising:
a memory storing financial instrument data associated with an offering document
offering a financial instrument relating to an underlying security, the underlying security trading
at a price, the instrument having a market price; and
a processor in communication with the memory and operable to, the instrument
comprising:
calculate a security conversion or exchange according to a provision of the
instrument making the instrument convertible or exchangeable into a predetermined number of
the underlying security at a predetermined conversion or exchange price;
calculate a payment obligation according to a provision of the instrument obligating
the company to make a payment to the holder with respect to passage of a time interval in the
event the market price of the instrument is in a predetermined relationship to an accreted value
thereof, the accreted value defined as the issue price of the instrument plus an economic accrual
of a portion of a difference between the issue price and the principal amount at maturity.

85. **(Currently Amended)** The offering document system of claim 84 wherein the
predetermined relationship is that a predetermined function of the market price of the instrument
is greater than 120 percent of the instrument's accreted value.

86. **(Currently Amended)** The offering document system of claim 85 wherein the
predetermined function of the market price is the average market price for a measurement period.

87. **(Currently Amended)** The offering document system of claim 84 wherein the
time interval is six months.

88. **(Currently Amended)** The offering document system of claim 84 wherein the
payment is made over time.

89. **(Currently Amended)** The offering document system of claim 84 wherein the
payment is made by adjusting the principal amount.

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90. **(Currently Amended)** The offering document system of claim 84 wherein the amount of the payment is determined as a function of a value selected from the set consisting of:
such dividends as holder of the underlying security would normally receive;
a value of a predetermined index;
a value of a reference security;
a value of a pool of securities;
a value of a pool of indices, and
a value of a pool of securities and indices.

91. (Canceled)

92. (Currently Amended) An offering document system comprising:
a memory storing financial instrument data associated with an offering document
offering a financial instrument relating a stock company, shares of stock of the company trading
at a price, the instrument having a market price; and

a processor in communication with the memory and operable to, the instrument
comprising:

calculate a repayment obligation according to a provision of the instrument
obligating the company to repay the principal according to a predetermined term;

calculate a stock conversion according to a provision of the instrument making
the instrument convertible into a predetermined number of shares of stock of the company
at a predetermined conversion price;

calculate a payment obligation according to a provision of the instrument
obligating the company to make a payment to the holder with respect to a contingency;
the offering document further comprising an indication that the issuer will report income
to the holder based upon a yield at which the issuer would issue a fixed-rate,
nonconvertible debt instrument comparable to the financial instrument.

93-94. (Canceled)

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95. **(Currently Amended)** An offering document system comprising:
a memory storing financial instrument data associated with an offering document
offering a financial instrument, the instrument having a market price; and
a processor in communication with the memory and operable to, the instrument
comprising:

calculate a stock exchange according to a provision of the instrument making
the instrument exchangeable into a predetermined number of shares of stock of a
company;

calculate a payment obligation according to a provision of the instrument
obligating the company to make a payment to the holder with respect to a contingency;
the offering document further comprising an indication that the issuer will report income
to the holder based upon a yield at which the issuer would issue a fixed-rate,
nonconvertible debt instrument comparable to the financial instrument.